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December 16, 2013

## VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Gary Widerburg Commission Secretary Public Service Commission of Utah Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, Utah 84111

Re: PacifiCorp Notice of Affiliate Transaction

Docket No. 05-035-54

Dear Mr. Widerburg:

Pursuant to Commitment U3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company* (MEHC), issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of an affiliate interest transaction between BNSF Railway Company (BNSF) for coal transportation services. A verified copy of the BNSF Common Carrier Pricing Authority 90068 Attachment A Coal Unit Train Commitment Certificate Number BNSF 90068-0072 (Agreement) is included with this Notice as Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of MEHC. MEHC is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). As of March 31, 2010, Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway and various employee benefit plans of Berkshire Hathaway subsidiaries together held an interest in excess of 5 percent in BNSF. Therefore, Berkshire Hathaway's ownership interest in BNSF may create an affiliated interest in some PacifiCorp jurisdictions.

Through the Agreement, BNSF provides rail transportation services for coal sourced from three different regions of mines located in the Wyoming Powder River Basin to PacifiCorp's Dave Johnston Steam Plant ("Dave Johnston") near Glenrock, Wyoming. Under the Agreement, the BNSF railroad will transport a minimum of 3 million tons of coal per year to Dave Johnston. Under the agreement, each year PacifiCorp will determine and nominate a fixed tonnage volume of coal for the plant's consumption requirements. Additionally, PacifiCorp will provide a monthly schedule to the BNSF for the monthly coal volumes to be delivered to the plant. PacifiCorp will retain the responsibility of unloading the unit coal train deliveries at the plant.

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PacifiCorp owns and operates many generation facilities, some of them fueled by coal. Coal-fired generation facilities may be located near mine heads or may be located far away from a coal source. In situations where coal must travel a great distance to reach the generation plant, railroad transportation service is less expensive than other potential transportation sources such as transporting coal in 38 ton haul trucks. Rail service providers can be likened to electric utilities in that they usually serve exclusive service territories with rates governed by the Surface Transportation Board (STB). Dave Johnston is captive to the BNSF railroad meaning that the BNSF is the only railroad company that can provide coal transportation services to Dave Johnston. The Agreement serves the public interest by ensuring PacifiCorp obtains fuel supplies for its coal-fired baseload generation plants at rates overseen by the STB.

Please do not hesitate to contact me if you have any questions.

Best Regards,

Mark C. Moench

Senior Vice President and General Counsel

PacifiCorp

Enclosures

cc: Chris Parker, DPU

Michele Beck, OCS

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